



For a name's sake

Accountants should encourage their clients to protect trademarks and business goodwill, says STEVE DUKESON.

WHILST DEALING with intellectual property issues is more a matter for lawyers, accountants can play an important part in ensuring that their clients have done what they can to protect business names and logos.

Usually, accountants see their clients more often than lawyers and one question that they should ask their clients is what steps they have taken to protect their business names and logos.

A lawyer might advise a client as follows:

- Your name, and the reputation associated with your name, is important. You should protect it.
- The law relating to copyright, passing off, and fair trading might assist in some cases but in the end, registering a trademark offers the best protection.

BUSINESS NAMES REGISTER

A misconception, especially by Australian clients and professional advisers, is that New Zealand has a business names register that offers

some protection. Not so. Further, as I understand it, the Australian business names register provides little more protection than by incorporating a company under a certain name.

PROTECTION BY USE

One method of protecting a name or mark is by using it and building up a reputation around it. That may enable your client to rely on the tort of passing off if someone tries to use the same or a similar name to pass their goods or services off as theirs. However, your client needs to have built up a reputation.

FAIR TRADING ACT

Your client may be able to rely on the provisions of the Fair Trading Act as to misleading and deceptive conduct in trade. One advantage of relying on the Fair Trading Act over the law of passing off is that your client doesn't have to show that there is any goodwill to protect. However, your client does have to show that there is misleading

or deceptive conduct whereas, if your client has a registered trademark, your client only has to show that someone is using the same mark in relation to the same goods or services. If someone is using the same mark in relation to other goods or services, or a similar mark in relation to any goods or services, your client may be able to stop this if the use of the other mark is likely to cause deception or confusion.

REGISTERING A TRADEMARK

A registered trademark is a potent weapon. All things being equal, no one else can use that mark in the jurisdiction in which the mark is registered in relation to the class of goods or services in respect of which it is registered.

The mark must be of a kind that is registrable. In lay terms, that means that the mark mustn't be merely descriptive, ie that it mustn't describe the goods or services or their function, at least, not in such a way that others might legitimately want to use the mark. For example, "Professional Ac-

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countants" wouldn't succeed because it is too descriptive.

To be registrable, the mark must have some ability to distinguish the character of your goods or services from those of someone else. Ideally, that distinctiveness should be inherent in the mark itself. So, "Lightning Bolt" is likely to be registrable in relation to the supply of accounting services because it is not descriptive of the nature of the services (though no doubt, many accountants will claim that those words are descriptive of the speed at which they deliver their services).

Care needs to be used in determining what classes the mark should be registered under. Registration not only needs to be in the right class but more than one class might be appropriate. For example, someone who manufactures and sells pet supplies may need to register their mark in relation to each applicable class of goods, eg goods made from plastic, goods made from metal, and so on.

Having done a search of the Intellectual Property Office of New Zealand (IPONZ) database and decided that the way is clear to register, your client can make an application to register their mark.

If your client (or their lawyer) is unsure whether the mark is registrable, they might make a request for Preliminary Advice from IPONZ. The preliminary advice isn't binding on IPONZ, but it normally gives a good indication as to what reception will lay in waiting for you if you make an application.

If an application is made, then one of two things is likely to happen.

Your client may receive a Notice of Acceptance. That means that IPONZ accepts that the mark is registrable and will advertise your application. If there are no objections following the application, then your client will eventually (in approximately six months) receive a Certificate of Registration.

If IPONZ is concerned about any aspect of the application, your client will receive a Compliance Report, and your client will need to resolve the issues raised in the Compliance Report.

Sometimes, if your client can't get registration of a word or phrase, it can be worthwhile to try to register a logo incorporating the word or phrase. Registration of such a logo is less potent, because it doesn't prevent someone else using the word by itself.

If a mark is successfully registered, registration must be renewed after 10 years.

A trademark must be registered in each country where it will be used. Registration in New Zealand only confers rights in New Zealand. However, soon, New Zealand will be a party to the Madrid Protocol, which will enable "bulk applications" to be made in New Zealand for registration in overseas countries who are parties to the protocol.

DOMAIN NAMES

It would be prudent for your client to register their trade mark (if it's a word mark as opposed to a logo) as a domain name, even if they are

not presently using the internet for business purposes.

Internet sites can give rise to problems in relation to naming rights.

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ACT PROMPTLY

It is much easier to be ripped off than it used to be and for your client's name, reputation or goodwill to be abused. Material can be published virtually instantly anywhere in the world. If your client discovers that someone is using a mark in breach of their intellectual property rights, your client should act promptly.

Should legal action be required, there may be times where your client won't have the resources to take action against an offender. It can cost a lot of money to bring proceedings to seek an injunction, and your client may have to do it reasonably quickly. That's an unfortunate fact of life. However, that doesn't mean that registration of a mark would be a waste of time. Sometimes, a party intending to use a mark will search the trademarks register to see if its proposed use would offend against a registered mark. Sometimes, an offender will be small and won't want trouble or irrespective of size, will co-operate. ■

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